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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

On Sunday Yediot reported that PM Ehud Olmert's senior aides Yoram Turbowicz and Shalom Turgeman took off on Saturday for a series of diplomatic meetings in Washington. The aim is to persuade the leaders of the US administration not to yield to European pressure to recognize the Palestinian unity government despite the fact that it has neither recognized Israel nor renounced terror.

The media (banner in The Jerusalem Post) reported that US Under Secretary of the Treasury for Terrorism and Financial Intelligence

STPDTS

Stuart Levey held a series of meetings in Jerusalem on Sunday focusing on how to get the world's financial institutions to cut business ties with Iran. The Jerusalem Post wrote that the steps that Levey was here to discuss are meant to supplement the process under way in the UN, and that they are steps that the West can begin taking unilaterally, without facing obstacles from Russia and China, whose support is necessary for UN sanctions. Over the weekend major media reported that on Saturday diplomats form the five permanent members of the UN Security Council and Germany hammered out new language for new sanctions on Tehran after it refused to suspend its uranium enrichment program.

Vice PM Shimon Peres was quoted as saying in an interview broadcast on Saturday on Channel 2-TV that the government was still committed to evacuating West Bank settlements. The station said that he blamed the government's failure to do so on Hamas's refusal to recognize Israel.

The Jerusalem Post quoted diplomatic officials as saying on Sunday that Jerusalem is receiving mixed messages regarding whether the Arab states will drop a clause calling for Palestinian refugees to return to Israel in the diplomatic initiative they are expected to relaunch at a summit in Saudi Arabia later this month. Ha'aretz filed a similar report.

Yediot reported that National Infrastructure Minister Binyamin Ben-Eliezer canceled a trip to Egypt for fear of being arrested there in connection with allegations that troops under his command killed 250 Egyptian troops (or Palestinians) in the Sinai at the end of the Six-Day War. The media reported that the Israeli Ambassador in Cairo was summoned to the Egyptian Foreign Ministry. Leading media reported that Ben-Eliezer is trying to convince the Egyptians that he is not responsible for such a crime.

Over the weekend leading media quoted Jordan's King Abdullah II as saying on Friday in an interview with Jordan TV that Israel must choose between the mentality of "Israel the fortress" or living in peace and security with its neighbors.

The Jerusalem Post quoted the attorney for a group of Jewish families ordered to evacuate an apartment building in the East Jerusalem neighborhood of Silwan by next month as saying that they will appeal the court ruling. On Sunday Hatzofe cited an announcement by the Arab League that it will transfer USD 150 million to the Arabs of East Jerusalem as aid in their struggle against Israel.

Ha'aretz reported that on Sunday PA Chairman [President] Mahmoud Abbas complained to the EU of a "series of provocative and illegal Israeli actions." He went on to accuse the EU of discrimination against the Palestinians, and of fostering an unjust, pro-Israeli approach.

The Jerusalem Post reported that, as Abbas and Palestinian PM Ismail Haniyeh met in Gaza City on Sunday night to discuss the formation of a "national unity government," a war of words erupted between Fatah and Hamas, with each side accusing the other of seeking to derail the Mecca Agreement.

Major media reported that Iran and Arab diplomats accuse the Mossad and the CIA of kidnapping Reza Askhari, an Iranian general, on Turkish soil.

Leading media reported that an irregular event was recorded on the Syrian border over the weekend: a routine IDF patrol in the southern Golan Heights, on the border fence, located six anti-personnel mines that were thrown onto the Israeli side of the border. Engineering forces were alerted to the spot and disarmed the mines.

Maariv reported that Israel is requesting the US to let Israel purchase more Israeli-made products with the aid it receives.

Yediot cited The Los Angeles Times as saying that the Arab Bank, one of the largest Arab financial institutions in the world, is suspected of transferring funds from wealthy Saudi businessmen to Hamas, Islamic Jihad, and other terrorist groups. The investigation of the bank lasted for three years.

Ha'aretz reported that on Sunday two leading representatives of the village of Ghajar straddling the border with Lebanon called on FM Tzipi Livni to act in order to prevent the division of the village.

The Jerusalem Post quoted the Anti-Defamation League as saying over the weekend that a late-February meeting between representatives of American Christian denominations and Iranian President Mahmoud Ahmadinejad amounted to a "shameful betrayal of American values and the Christian-Jewish relationship. The Jerusalem Post printed an AP piece that on Sunday Ahmadinejad denied that he had backed the Saudi peace initiative, following claims by Saudi Arabia's official news agency that he had expressed support for it.

The Jerusalem Post reported that representatives from Israel and Turkey will meet in Israel this week with the hopes of boosting their economic cooperation, which has already quintupled since the two countries entered into a trade agreement in 1997.

The media prominently reported on mutual recriminations between Olmert and State Comptroller Micha Lindenstrauss regarding the Comptroller's interim report on government conduct during the Lebanon war last summer.

Yediot reported that, "like in the US," Attorney General Menachem Mazuz is considering appointing special prosecutors in affairs involving individual public figures.

Maariv reported that last week Rada Mansour, Israeli Consul-General in Atlanta, began broadcasting PR programs for Israel on a local radio station.

Maariv reported that Jewish American billionaire William Davidson from Detroit donated USD 75 million to the Hadassah Hospital, Ein Kerem, Jerusalem.

Polls among registered voters of the Labor Party, commissioned by the three major Hebrew-language newspapers, found that Labor Party Chairman and Defense Minister Amir Peretz would be soundly defeated by former PM Ehud Barak and MK Ami Ayalon, were primaries held today in the party. Maariv found that, were a second round of voting to take place, Ayalon would win over Barak.

<u>¶</u>1. Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "It is the duty of the government of Israel not to reject the hand that is being offered by Saudi Arabia."

Zalman Shoval, senior Likud member and former ambassador to the US, wrote in the mass-circulation, pluralist Yediot Aharonot: "Washington apparently did not understand that [Saudi Arabia's National Security Adviser Prince] Bandar and the Saudis have goals and interests of their own."

Senior columnist Haggai Huberman wrote in a page one editorial in the nationalist, Orthodox Hatzofe: "Ahmadinejad seeks to rein in the Saudi activity against his nuclear policy. This is the reason for his arrival in Riyadh."

The conservative, independent Jerusalem Post editorialized: "The equality and destruction agendas don't mix. Israeli Arab leaders and organizations need to choose between them, and the Adalah constitution is part of the wrong choice."

¶I. "A New Chance For Peace"

The independent, left-leaning Ha'aretz editorialized (3/4)): "The decision of King Abdullah of Saudi Arabia to hold the Arab League summit in Riyadh later this month to discuss proposing the 2002 Arab peace initiative anew, offers a fresh opportunity to revive the peace process between Israel and its neighbors, and to bolster the moderate axis in the Middle East against the emerging Iranian nuclear threat. Abdullah's original initiative proposed a simple formula: A complete Israeli withdrawal from the territories, including Jerusalem, in return for normalizing relations between Israel and the Arab world.... Saudi Arabia holds a unique status because of the King's role as the guardian of Islam's $\bar{\text{holiest}}$ sites and also because of the country's oil wealth. It is therefore in a position, more than any other state, to offer religious and economic backing to peace settlements between Israel and the Palestinians, Syria and Lebanon. Saudi Arabia and Israel also share concerns about the growing strength of Iran and both wish to prevent another war in the region. They have a shared interest in the renewal of the peace process.... It is the duty of the government of Israel not to reject the hand that is being offered by Saudi Arabia. Olmert must consider the Arab peace initiative to be an appropriate basis for dialogue, one that will lead to a permanent settlement and a settling of the status of Israel in the region, and which will serve as a definitive response to Ahmadinejad and his partners in the extremist camp. A renewed peace process will save Olmert's government from the impasse in which it is stuck. It is important that the four weeks left before the summit in Riyadh involve intensive diplomatic efforts to formulate an agreed-upon framework for the regional peace initiative.

II. "Saudi Arabia Tripping Up the US"

Zalman Shoval, senior Likud member and former ambassador to the US, wrote in the mass-circulation, pluralist Yediot Aharonot (3/4)): "Whether the initiative came from Washington or originated in Riyadh, the US administration has recently decided to encourage Saudi Arabia, to a large degree instead of Egypt, to play an active part in the diplomatic processes in our region. However, Saudi Arabia has intentions of its own, which do not always match Washington's intentions. The most severe deviation is actually on the Palestinian issue.... Washington apparently did not understand that [Saudi Arabia's National Security Adviser Prince] Bandar and the Saudis have goals and interests of their own: they did not want to isolate Hamas, they wanted to bring it close to them (including by financial means), in order to thwart the ties that have begun to emerge between the Sunni terror organization and Shiite Iran. Hamas may be extreme, but the main thing is that it is Sunni (after all, the Saudi regime is no less fundamentalist than Hamas). What really worries the Saudi leadership is the concern of the rise in the strength of the Shi'ites in the Middle East, including within Saudi Arabia, and this anxiety increases with every day of battles in Iraq, where the Shiites are gaining the upper hand. It is not that the Saudi royal family does not want to get rid of the Israeli-Palestinian problem, particularly if this comes at the expense of IsraelQs interest, but it has more urgent problems.'

III. "When the Iranian Nuclear Program Met the Saudi Initiative"

Senior columnist Haggai Huberman wrote in a page one editorial in the nationalist, Orthodox Hatzofe (3/4)): "King Abdullah of Saudi Arabia can feel great satisfaction after this past weekend. The visit of Iranian President Ahmadinejad to his country gave another push to the upgrade of his standing as the foremost leader of the Arab world -- at the expense of Egyptian President Mubarak. This is certainly a dramatic visit, since Saudi Arabia is the country that is currently leading the general Arab battle against the Iranian nuclear program.... Ahmadinejad seeks to rein in the Saudi activity against his nuclear policy. This is the reason for his arrival in Riyadh. Even if it fails, and even if Saudi Arabia fails in its attempt to persuade the Iranian president to forego his nuclear adventure -- as of now, both failures appear realistic -- the status that Ahmadinejad has given King Abdullah can no longer be erased. The battle over hegemony in the Arab world between Saudi Arabia and Egypt was already expressed last week. On Thursday it was reported

that the Egyptians are mainly angry at the Hamas leaders, who despite the original plan ultimately decided to sign the agreement in Saudi Arabia rather than in Cairo."

IV. "Equality and Destruction"

The conservative, independent Jerusalem Post editorialized (3/4)): "The latest draft constitution [for Israel] was produced by Adalah, the 10-year-old organization purportedly seeking to uphold the rights of Israel's Arab citizens. It redefines the state not as Jewish but as 'democratic, bilingual, and multicultural' -- all objectives much beloved by enlightened world opinion and legitimately resonant, but in this case both enticing and deceptive. The Adalah outline remarkably resembles what the dubiously cancelled PLO Charter touted for decades -- replacing Israel with a supposedly democratic state.... Prof. Shlomo Avineri, a respected centrist and diplomat, perceives Adalah's draft as nothing less that an 'extreme nationalist Arab plan for Israel's annihilation as a Jewish state, while coating these aims in the outward trappings of human rights and justice.' Fortunately that isn't exclusively a Jewish viewpoint. The Forum of Druze and Circassian Authorities in Israel also outrightly rejects Adalah's paper, reaffirming Israel's standing as a 'Jewish and a democratic state that champions equality and free elections. We refuse to support the eradication of the state to which we had tied our fate in a bond forged in blood.' should be obvious that a community that pledges itself to Israel's destruction -- however elegantly termed -- cannot at the same time effectively battle real manifestations of discrimination and advance the positive agenda to which it has historically been committed. The equality and destruction agendas don't mix. Israeli Arab leaders and organizations need to choose between them, and the Adalah constitution is part of the wrong choice. CRETZ